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Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 67 No. 6 JUNE 1989

PAPER AND PAPERBOARD PRODUCTION: EASING

There is widespread evidence that the economy lost momentum during the first half of 1989. One indication of slower growth comes from industrial production, which trended up at an annual rate of 1.7% during the first five months of 1989, after advancing a vigorous 5.7% in 1988. Other evidence of slowing can be found in government statistics regarding new job creation, consumer spending and residential construction activity.

Paper and paperboard production held up fairly well amid these signs of a slowing economy. For instance, seasonally-adjusted production averaged 76,644,000 tons a year during the first five months of 1989, which was just about in line with full-year 1988 production of 76,557,000 tons. However, year-to-date production of paper and paperboard through May of 1989 was 0.9% lower than during the first five months of 1988. (See Table on Page 3.)

Paper: Total paper production lagged its year-ago volume by 1.5% during the first five months of 1989, after recording annual gains of 4.2% in 1987 and 3.9% in 1988. The loss of forward momentum appears to have resulted from inventory trimming and decelerating end-use market activity gains, consistent with a slowing U.S. economy.

Shipments of printing-writing papers were off 1.7% during the first five months of 1989, with two of the major grades -- groundwood and bleached bristols -- managing to post year-to-date gains. Year-to-date shipments of coated papers were off 5.9% through May, with lower volumes going to most major end-use markets, including commercial printers, magazines, and other periodical publishers.

PRINTERS' INVENTORIES

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Data compiled by the Department of Commerce adjusted for inflation by API's Economics Department suggest that printers' inventories have been trending irregularly downward since October 1989. These reductions were probably one of the factors that contributed to the recent weakness in coated paper shipments.

End-use markets for coated papers present a mixed picture. Magazine advertising page totals have been gaining ground since mid-1988 as third class mail volume, a proxy for direct mail advertising, posted seasonally-adjusted gains during the final quarter of 1988 and the first three months of this year, suggesting that the negative impact of last April's mail rate hike is beginning to fade. On the other hand, API's Newsprint Division estimates that the number of newspaper inserts, adjusted for seasonality, ebbed slightly in the first quarter of 1989, after posting small, but steady gains during the four quarters of 1988.

In response to weaker market conditions, imports of coated papers have begun to ease, following several years of consecutive annual gains. Imports of coated papers ran 5.7% below their year-ago volume during the first four months of 1988, with imports from Canada off 6%.

Year-to-date shipments of uncoated free sheet papers were down 0.5% through May of 1989, with a mixed pattern evident among the leading end uses. For instance, shipments of uncoated free sheet papers to commercial printers, envelope converters, and business form converts lagged this year, while shipments to the office reprographics sector were up considerably. Imports of uncoated free sheet through April have been running 9% above their year-ago level, with volume from Canada up more than 50%. New supply of uncoated free sheet paper (U.S. production plus imports less exports) was equal to its year-ago volume during the first five months of 1989.

In contrast to the declines registered by most of the other printing-writing paper grades, U.S. shipments of groundwood papers were 8.1% above their year-ago level during the first five months of 1989. However, the strength was more a reflection of reduced imports than of gains in end-use market activity. According to API's Printing-Writing Paper Division, groundwood imports were off 12% through April of 1988, which is quite significant in that imports accounted for 54% of U.S. groundwood requirements in 1988. Owing to the decline in imports, total new supply of groundwood papers was actually 3.3% below its year-ago level during the first five months of 1989.

U.S. newsprint production registered a year-to-date decline of 1.2% through May of 1989, while total North American shipments to this country were off 4.8%. Inventory drawdowns and weak newspaper advertising markets were among the factors responsible for the declines. Newspaper publishers trimmed their newsprint stocks from 49 days of supply at the end of December 1988 to 41 days at the end of May 1989.

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

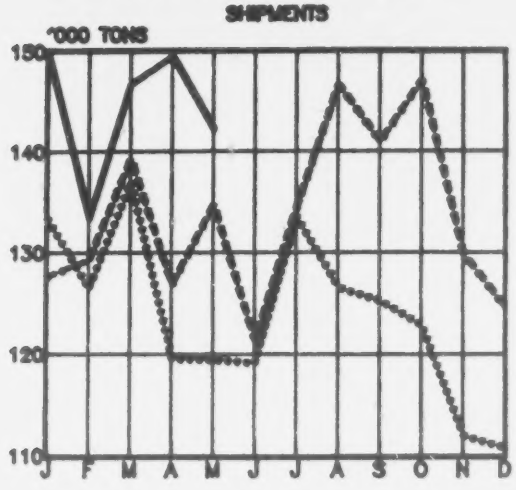
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1987	YEAR 1988	FEBRUARY 1989	MARCH 1989 (R)	APRIL 1989 (R)	MAY 1989 (P)	Annual Rate Y-T-D 1989	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,842	5,982	445	516	495	504	5,922	-1.2
- Shipments	5,854	5,969	454	509	487	510	5,858	-1.1
Printing & Writing Sum	20,778	21,793	1,699	1,893	1,718	1,782	21,514	-1.7
Groundwood Paper - Shipments	1,498	1,624	133	147	149	142	1,730	8.1
- New Orders	1,542	1,654	127	163	134	146	1,706	5.8
-Unfilled Orders	166	210	180	204	182	189	189	4.4
Coated Papers - Shipments	6,860	7,359	550	604	544	577	6,978	-5.9
- New Orders	7,066	7,404	561	599	505	608	6,867	-7.5
- Unfilled Orders	708	721	696	701	647	676	676	-0.3
Unctd Free Sheet - Shipments	10,966	11,277	896	1,003	901	937	11,280	-0.5
- New Orders	11,173	11,314	884	1,015	866	863	10,943	-4.6
- Unfilled Orders	772	781	695	721	650	587	587	-24.2
Thin Papers - Shipments	240	217	16	18	18	17	199	-14.3
Cotton Fiber Paper - Shipments	163	167	13	15	14	14	168	-1.3
Bleached Bristols - Production	1,052	1,150	90	106	92	95	1,158	1.7
Tissue Paper - Production	5,301	5,476	437	503	451	474	5,592	2.6
Total Packaging & Other Paper	5,074	5,199	409	450	387	395	5,029	-4.8
Unbl. Kraft Paper - Shipments	3,081	3,038	235	264	218	229	2,924	-5.1
Other Paper - Production	1,993	2,162	173	186	169	167	2,104	-4.3
TOTAL PAPER-Production-Unadj.	36,995	38,450	2,989	3,361	3,050	3,155	38,056	-1.5
-Production-S.A.			3,149	3,271	3,068	3,164	38,126	-1.1
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	28,862	29,318	2,302	2,549	2,412	2,530	29,589	0.9
Total Unbl. Kraft Paperboard	18,898	19,140	1,521	1,653	1,589	1,681	19,441	0.8
Unbl. Kraft Linerboard (1)	17,683	17,897	1,427	1,546	1,490	1,560	18,146	0.6
Production for Export	2,303	2,296	217	202	217	191	2,478	3.1
Other Unbl. Kraft Paperboard	1,215	1,244	94	108	99	121	1,295	3.1
Semichemical Paperboard	5,540	5,666	440	503	468	468	5,708	1.5
Production for Export	193	136	11	18	9	8	147	6.4
Solid Bleached Paperboard	4,406	4,511	341	392	356	382	4,440	-1.7
Production for Export	619	628	44	60	51	59	652	9.5
Recycled Paperboard	8,601	8,789	694	740	739	735	8,778	-2.2
Production for Export	75	72	3	3	4	3	39	-54.1
TOTAL PAPERBOARD-Prod.-Unadj.	37,445	38,107	2,996	3,289	3,150	3,265	38,366	-0.8
- Containerboard Prod.(Dom. Use)	23,025	23,563	1,826	2,030	1,922	2,033	23,599	-0.2
- Boxboard Prod.(Dom. Use)	6,969	7,066	551	611	582	598	7,074	-0.1
- All Other P'bd Prod.(D.U.)	4,262	4,344	344	366	366	373	4,377	-2.2
- Total Paperbd Prod. for Export	3,190	3,132	274	283	281	261	3,316	2.1
TOTAL PAPERBOARD PROD.- S.A.			3,254	3,175	3,236	3,166	38,518	0.4
TOTAL PAPER AND PAPERBOARD								
Production - Unadj.	74,440	76,557	5,985	6,651	6,200	6,421	76,422	-0.6
Production - S.A.			6,403	6,446	6,304	6,331	76,644	-0.3

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted

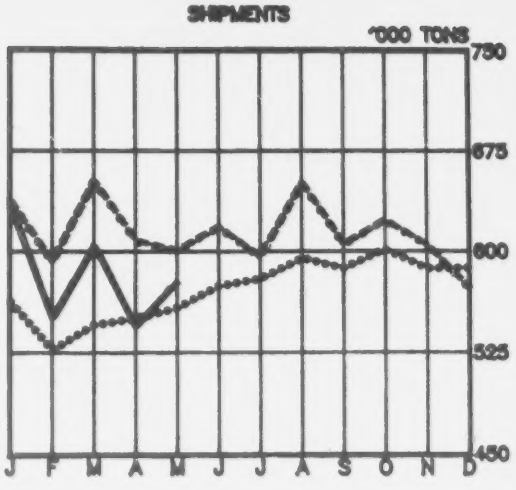
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



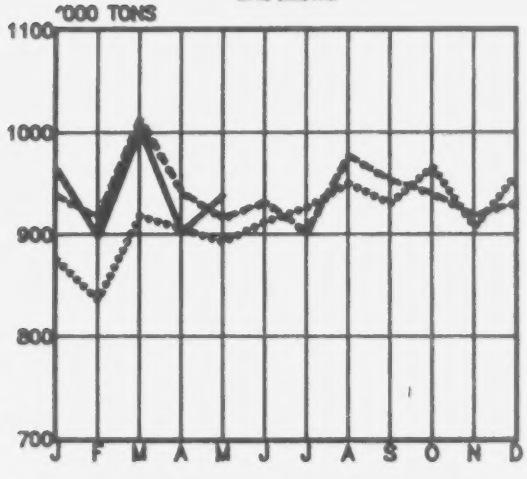
COATED PAPER

SHIPMENTS



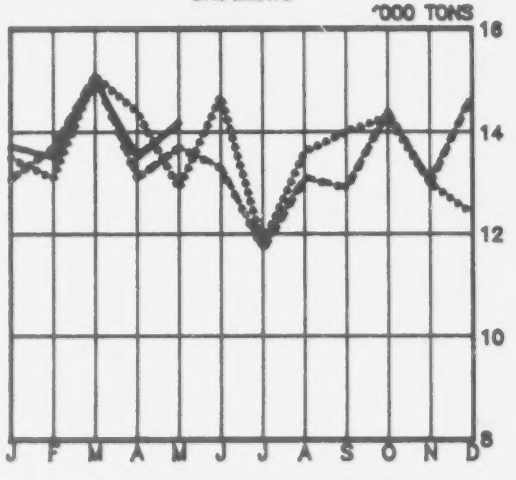
UNCOATED FREE SHEET PAPERS

SHIPMENTS



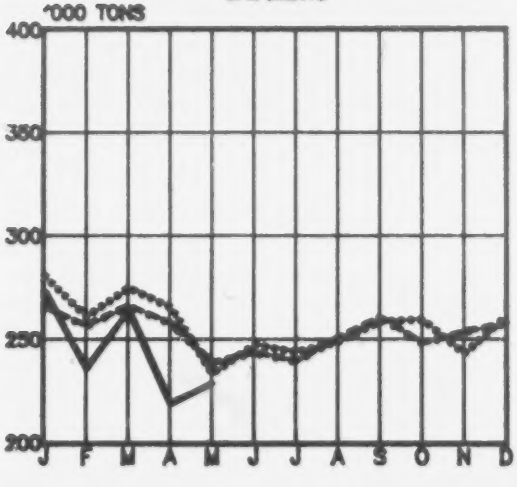
COTTON FIBER PAPER

SHIPMENTS



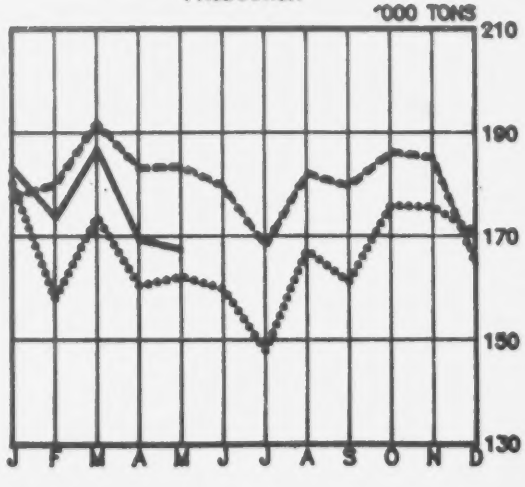
UNBLEACHED KRAFT PACKAGING
AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1987 ••••••• 1988 - - - - - 1989 ———

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1987	YEAR 1988	JANUARY 1989	FEBRUARY 1989	MARCH 1989	APRIL 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
TOTAL WOOD PULP			A		R	P		
Total Wood Pulp - Production	59,552	61,161	5,466	4,821	5,307	5,193	62,361	1.8
- Imports	4,850	5,038 A	432	395	466	418	5,133	1.9
- Exports	4,889	5,528	457	507	623	525	6,334	18.7
- New Supply	59,513	60,671	5,442	4,709	5,150	5,086	61,160	0.3
Dissolving Pulp - Production	1,312	1,367	127	102	142	106	1,431	11.3
- Imports	198	248	19	22	37	24	308	17.1
- Exports	752	865	55	69	86	68	833	3.7
- New Supply	757	751	91	56	93	63	906	21.6
Paper Grades - Production	48,293	49,493	4,423	3,935	4,286	4,209	50,558	1.8
Chemical Pulp - Imports	4,456	4,419 A	392	348	406	363	4,528	2.2
- Exports	4,111	4,612	394	432	530	451	5,419	21.2
- New Supply	48,637	49,300	4,421	3,851	4,162	4,121	49,667	0.1
Groundwood and - Production	5,702	5,943	520	438	502	512	5,914	-1.2
Thermo-Mech. - Imports	197	371 A	22	24	23	31	298	-13.7
- Exports	26	51	9	6	7	6	83	35.8
- New Supply	5,872	6,263	533	456	517	537	6,129	-2.2
Semi-Chemical - Production	4,246	4,358	397	346	378	366	4,458	3.3
- Imports								
- Exports								
- New Supply	4,246	4,358	397	346	378	366	4,458	3.3
MARKET WOOD PULP								
Total Market - Production	8,114	8,565	777	687	772	717	8,858	4.1
Wood Pulp - Imports	3,235	3,471	280	253	304	268	3,318	-4.2
- Exports	4,820	5,071	401	407	541	423	5,315	6.9
- New Supply	6,529	6,966	656	534	534	562	6,861	-2.3
Dissolving Pulp - Production	1,308	1,365	127	102	141	105	1,424	10.9
- Imports	154	206	7	17	29	21	221	-3.8
- Exports	775	798	55	64	92	63	823	10.2
- New Supply	687	774	79	54	78	63	822	7.5
Paper Grades - Production	6,806	7,200	650	586	631	612	7,434	2.9
Chemical Pulp - Imports	2,975	3,126	269	234	269	238	3,031	-0.2
- Exports	4,045	4,273	346	343	449	360	4,492	6.3
- New Supply	5,736	6,052	573	476	451	490	5,973	-1.1
Groundwood Pulp - Production	0	0	0	0	0	0	0	0.0
and All Other - Imports RS	106	139	4	3	6	9	66	-66.8
- Exports	0	0	0	0	0	0	0	0.0
- New Supply	106	139	4	3	6	9	66	-66.8

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.
NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data

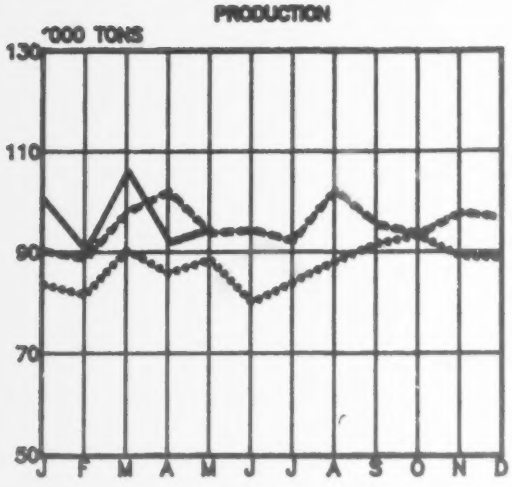
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR 1987	YEAR 1988	JANUARY 1989	FEBRUARY 1989	MARCH 1989	APRIL 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	77,468	79,707	6,942	6,274	6,880	6,681	80,334	0.7
Total Wood Pulp	59,474	60,847	5,370	4,783	5,269	5,132	61,659	1.3
Waste Paper	17,993	18,860	1,572	1,491	1,612	1,550	18,674	-0.4
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	170	172	178	178	179	190	190	12.1
Producers' Market Inventories	224	261	344	354	279	305	305	19.2
Consumers' Purchased Inventories #	529	622	596	608	592	596	596	12.6
Waste Paper at Paper & Bd. Mills	902	1,029	1,008	987	1,011	1,027	1,027	20.2
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	12	14	18	18	13	15	15	15.4

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

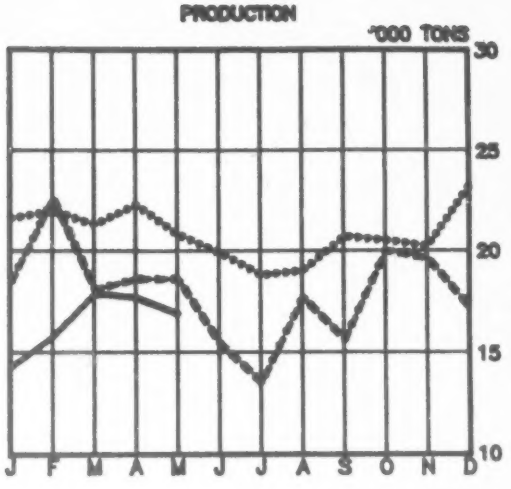
BLEACHED BRISTOLS

PRODUCTION



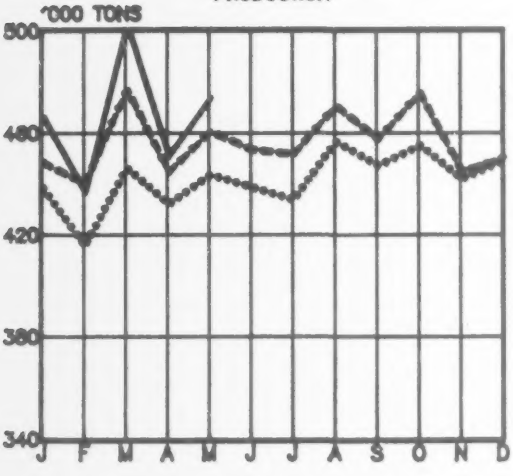
THIN PAPER

PRODUCTION



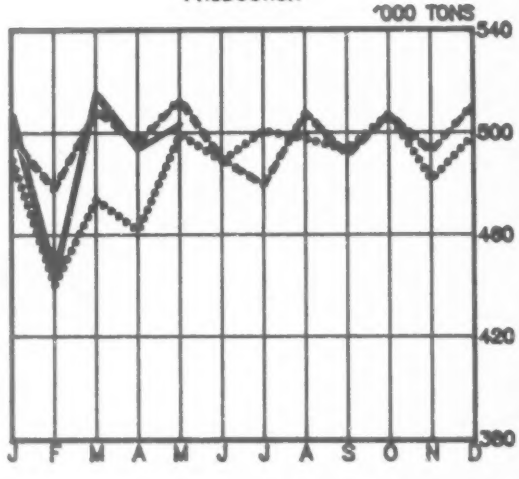
TISSUE PAPER

PRODUCTION



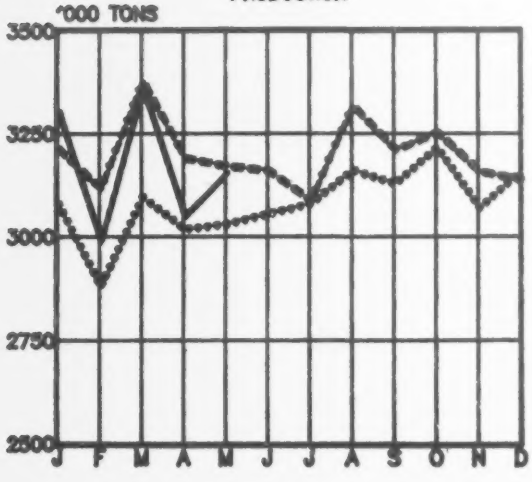
NEWSPRINT

PRODUCTION



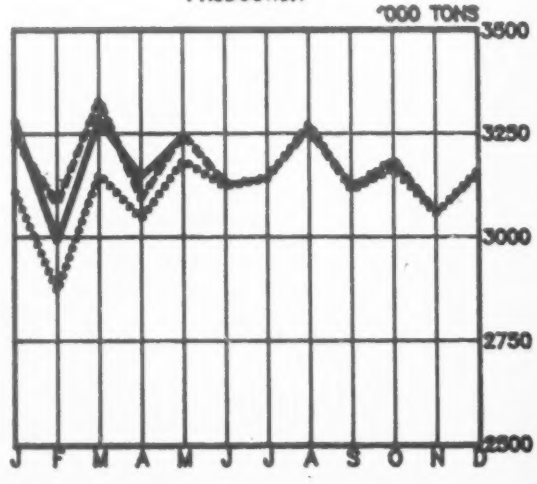
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1987 ••••••••• 1988 ---------1989 ————

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1987	YEAR 1988	JANUARY 1989	FEBRUARY 1989	MARCH 1989	APRIL 1989	Annual Rate Y-T-D 1989	% Chang From S Period Last Y
PULPWOOD									
Total U.S.	- Total Receipts	94,312	95,537	8,440	7,748	8,035	7,858	96,243	
	- Total Consumpt	93,946	95,497	8,358	7,837	8,169	8,040	97,212	
	- Residues *	32,899	33,186	2,894	2,746	2,776	2,761	33,531	-
	- Inventories	5,096	4,888	4,861	4,701	4,490	4,402	4,402	-
So. Atlantic	- Total Receipts	31,147	31,582	2,765	2,542	2,558	2,670	31,605	-
	- Total Consumpt	30,915	31,567	2,763	2,623	2,660	2,719	32,295	
	- Residues *	9,553	9,897	860	874	768	812	9,942	-
	- Inventories	1,211	1,200	1,194	1,115	1,020	964	964	-1
Northeast	- Total Receipts	6,941	7,187	698	656	628	530	7,536	
	- Total Consumpt	7,109	7,216	624	586	624	643	7,431	
	- Residues *	1,543	1,664	133	168	150	142	1,779	
	- Inventories	594	572	597	685	667	533	533	
South Central	- Total Receipts	33,650	33,751	2,897	2,628	2,989	2,829	34,029	
	- Total Consumpt	33,059	33,646	2,920	2,743	3,032	2,750	34,335	
	- Residues *	9,992	9,890	879	737	898	810	9,972	
	- Inventories	1,294	1,160	1,133	953	974	1,061	1,061	
North Central	- Total Receipts	6,552	6,865	690	631	543	437	6,903	
	- Total Consumpt	6,764	6,929	601	561	576	588	6,978	
	- Residues *	1,263	1,334	114	119	136	107	1,428	
	- Inventories	830	839	932	979	870	846	846	
West	- Total Receipts	16,022	16,152	1,390	1,291	1,317	1,392	16,170	
	- Total Consumpt	16,099	16,139	1,450	1,324	1,277	1,340	16,173	
	- Residues *	10,548	10,401	908	848	824	890	10,410	
	- Inventories	1,167	1,117	1,005	969	959	998	998	

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 20-Jun-89

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR Tons	1988 ($000's)	MARCH 1989 Tons	MARCH 1989 ($000)	APRIL 1989 Tons	APRIL 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Cha From Peri Last
Pulpwood, Roundwood (in cords of 128 cubic feet)	39,337	4,195	13,128	309	0	0	151,224	
Pulpwood chips	876,038	35,184	102,766	3,909	73,429	3,230	1,051,002	
Wood Pulp, Total	A 4,340,245	2,282,329	407,201	242,085	358,018	212,541	4,562,698	
Waste Fibrous Materials, Total	227,004	48,450	15,733	3,705	15,829	3,151	197,832	
Paper, Board & Products, Total	A 10,497,185	5,715,612	936,589	522,760	897,394	508,977	10,781,912	
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	A 10,348,278	5,458,084	922,024	495,568	885,684	483,300	10,591,528	
Paper, Paperboard & Products	A 10,283,277	5,649,813	922,980	519,243	887,003	505,949	10,580,292	
Paper & Paperboard, Only	A 10,134,369	5,392,286	908,415	492,051	875,292	480,271	10,389,907	
Paper, Total	A 9,869,253	5,295,796	879,871	480,558	842,050	467,407	10,010,687	
Newsprint	A 8,284,709	4,320,023	707,386	364,622	667,129	351,849	7,889,084	
Printing, Writing & Rel. Pap.	A 1,304,003	807,306	148,543	99,033	152,886	99,898	1,810,650	
Pack. & Ind. Conv. Paper	227,493	120,765	16,928	9,528	15,413	8,499	217,958	
Special Industrial Paper	4,767	9,106	2,360	3,067	2,652	3,632	35,874	
Tissue Paper	48,281	38,596	4,655	4,309	3,970	3,530	57,122	
Paperboard, Total	265,116	96,490	28,544	11,493	33,243	12,865	379,220	
Convtd Paper&Paperbd Products	148,908	257,528	14,565	27,192	11,710	25,677	190,385	
Wet Machine Board	2,939	2,120	0	0	46	45	208	
Construction Paper & Board	210,970	63,679	13,609	3,517	10,346	2,984	201,413	

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

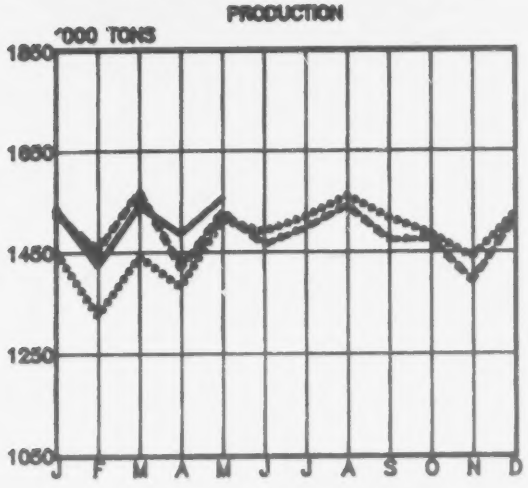
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	14,180	836	0	0	6,047	90	18,216
Pulpwood chips	33,040	1,739	2,603	104	1,822	84	19,964
Wood Pulp, Total	280,074	101,214	37,611	15,674	24,957	10,843	299,116
Cotton Pulp & Other Pulp	84,891	24,062	611	38	476	364	7,338
Waste Paper	331,999	38,199	34,064	4,035	26,322	3,284	315,859
Paper, Board & Products, Total	1,050,117	715,960	89,690	69,068	86,930	63,306	891,262
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	773,973	464,416	64,242	46,289	63,768	41,591	621,000
Paper, Paperboard & Products	1,013,157	699,127	87,616	68,256	84,899	62,580	872,249
Paper & Paperboard, Only	737,013	447,583	62,168	45,477	61,737	40,865	601,987
Paper, Total	340,156	293,175	32,412	31,781	29,558	27,838	312,389
Newsprint	5,806	5,304	379	321	788	569	5,976
Printing, Writing & Rel. Pap.	166,667	160,807	20,570	19,726	18,086	17,667	192,128
Pack. & Ind. Conv. Paper	41,718	29,572	5,159	2,569	4,869	2,391	44,645
Special Industrial Paper	118,806	90,276	5,797	8,350	5,419	6,483	64,487
Tissue Paper	7,160	8,016	507	814	477	728	5,154
Paperboard, Total	396,857	154,408	29,757	13,696	32,179	13,027	289,598
Convtd Paper&Paperbd Products	276,145	251,544	25,447	22,779	23,161	21,715	270,262
Wet Machine Board	6,527	2,590	360	134	16	6	1,693
Construction Paper & Board	30,433	14,243	1,713	677	2,015	720	17,320

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data

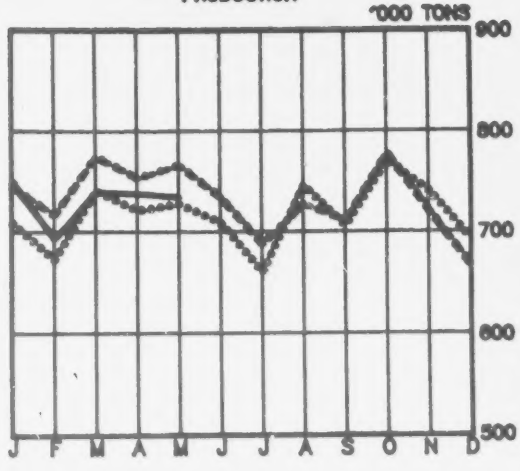
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



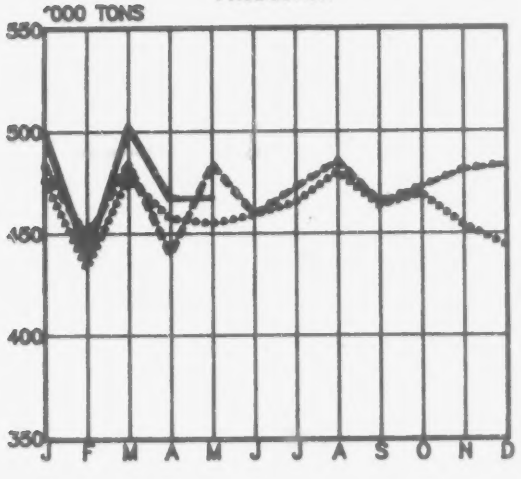
RECYCLED PAPERBOARD

PRODUCTION



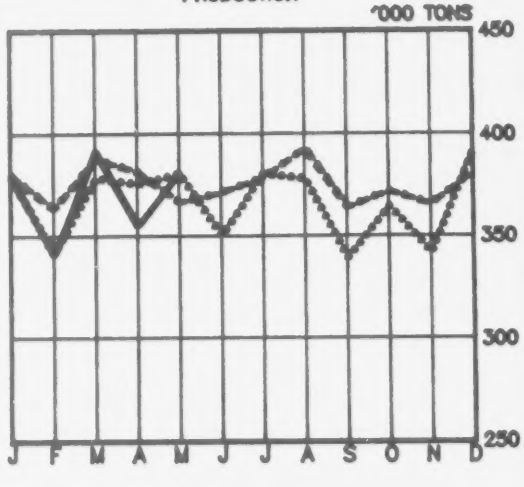
SEMICHEMICAL PAPERBOARD

PRODUCTION



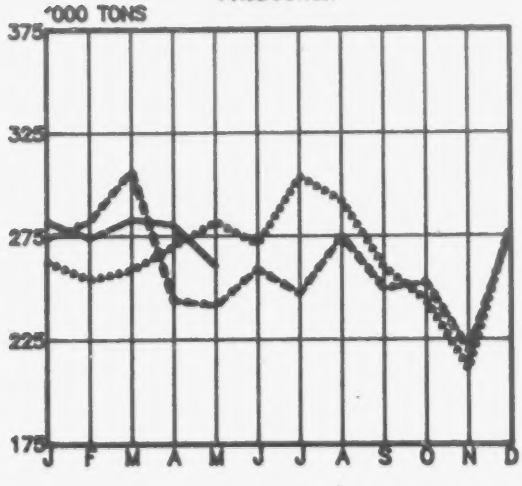
SOLID BLEACHED PAPERBOARD

PRODUCTION



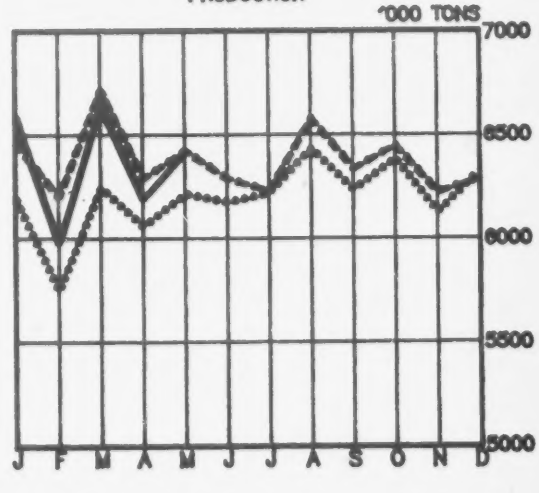
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1987 ..... 1988 ----- 1989 ———

I M P O R T S

		YEAR 1988 Tons	YEAR 1988 $000	MARCH 1989 Tons	MARCH 1989 $000	APRIL 1989 Tons	APRIL 1989 $000	(1) Annual Rate YTD 1989 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)		39,515	4,200	13,128	389	0	0	151,224	285.5
Pulpwood Chips		888,636	35,553	103,363	3,922	73,473	3,233	1,059,081	23.8
Total All Imports	A	18,402,259	10,725,164	1,632,309	1,012,825	1,495,075	938,098	18,320,183	-0.6
Wood Pulp Total	A	5,038,158	2,663,424	466,027	278,786	418,213	249,482	5,133,384	1.9
Waste Paper		161,367	27,361	17,852	3,919	16,546	3,266	214,932	20.7
Other Fibrous Materials		92,505	32,331	2,302	2,023	1,155	1,105	15,470	-82.7
Paper Board & Products Total	A	13,110,229	8,002,047	1,146,128	728,097	1,059,161	684,245	12,956,397	-1.3
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	A	12,679,974	6,989,896	1,097,163	634,686	1,018,713	599,350	12,377,411	-2.7
Paper Ppbd & Prds ex Cnst&WMB	A	12,787,784	7,893,637	1,128,026	723,341	1,045,160	680,049	12,711,083	-1.1
Paper & Paperboard Only	A	12,357,530	6,980,596	1,079,061	629,850	1,004,711	595,153	12,132,097	-2.5
Paper Total	A	12,016,519	6,749,882	1,043,617	612,572	965,761	576,463	11,691,113	-3.5
Newsprint	A	8,801,503	4,569,853	741,916	379,335	674,252	355,863	8,085,729	-9.0
Printing & Writing	A	2,812,259	1,899,745	264,365	194,574	254,859	182,236	3,099,457	9.4
Uncoated Groundwood		1,362,642	792,881	132,755	81,129	136,292	80,982	1,615,721	9.6
Coated Print.& Impreg. Pap.	A	797,765	641,466	57,922	48,353	62,777	52,008	700,077	-5.8
Uncoated Free Sheet	A	591,830	414,326	58,854	48,136	44,717	36,489	625,149	12.0
Uncoated Book	A	258,146	175,746	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.
Writing and Similar Paper	A	333,683	238,580	58,854	48,136	44,717	36,489	625,149	88.8
Thin (except Cigarette)		55,774	48,804	9,777	11,003	5,643	6,782	94,552	70.3
Bristols		4,247	2,269	5,058	5,954	5,430	5,974	63,958	7073.4
Total Pkg & Other Paper		343,196	231,796	28,174	30,270	26,868	29,434	389,557	17.8
Unbleached Kraft Paper		161,708	76,116	16,975	8,335	16,153	7,888	237,464	35.9
Other Pkg. & Indust. Paper		181,488	155,680	11,199	21,935	10,715	21,546	152,093	-2.4
Tissue		59,561	48,488	9,162	8,393	9,784	8,929	116,370	60.5
Paperboard, Total		341,011	130,714	35,444	17,278	38,950	18,691	440,984	32.8
Test or Containerboard		85,682	36,145	5,883	2,183	1,881	780	60,443	-16.3
Semi-Chemical Corrugating		142,490	43,596	10,480	3,322	12,855	4,112	128,732	-12.7
Other Paperboard		112,839	50,972	19,082	11,773	24,213	13,798	251,809	122.6
Convtd Paper&Paperbd Products		430,255	1,013,041	48,965	93,491	40,449	84,896	578,986	45.5
Paper Products, Total		393,089	944,974	38,809	76,364	31,464	69,452	468,561	29.1
Paperboard Products, Total		37,166	68,067	10,157	17,128	8,985	15,443	110,425	211.6
Wet machine Board		4,239	3,780	44	53	73	92	462	-89.1
Construction Paper & Board		318,206	104,630	18,058	4,704	13,928	4,105	244,853	-10.9
Notes									
Other: No Weight Avail. ($000)			177,686		11,363		9,204	110,452	-37.8
Total Imports Incl. Other($000)			10,902,950		1,024,188		947,302	11,381,302	8.3

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

E X P O R T S

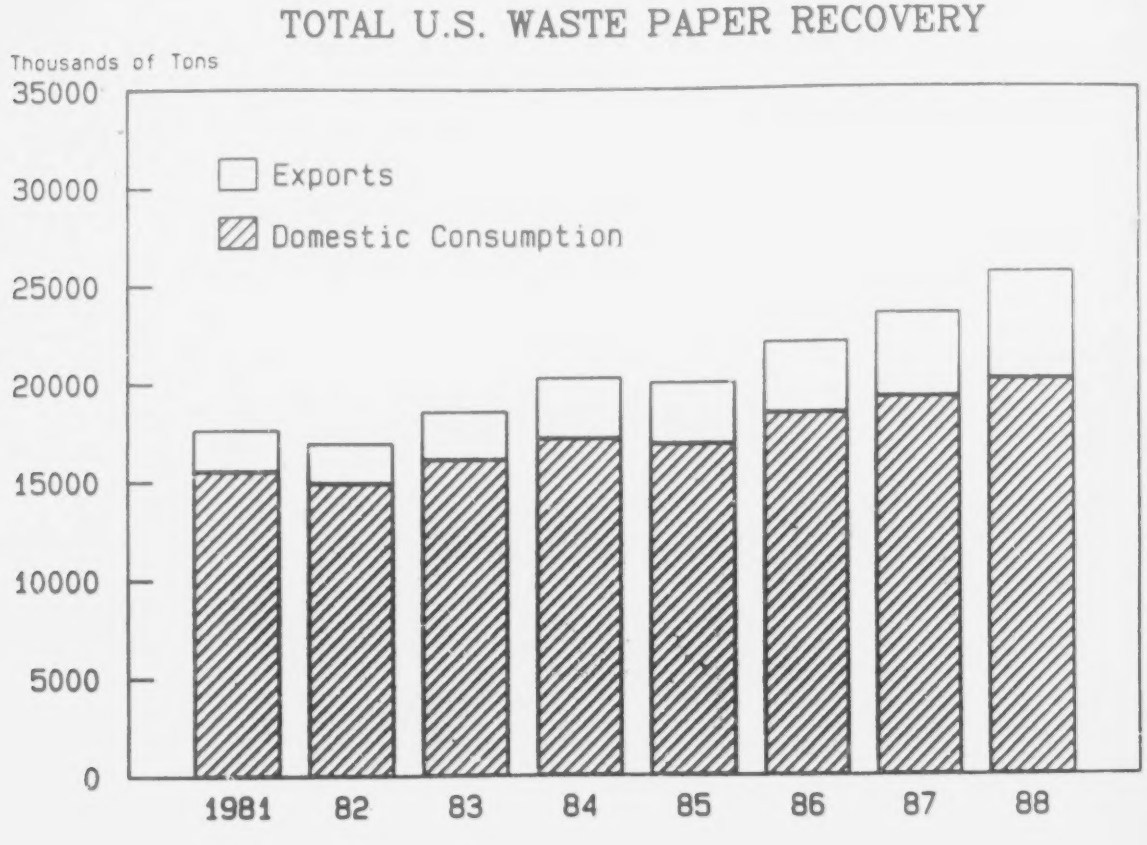
	YEAR 1988 Tons	YEAR 1988 $000	MARCH 1989 Tons	MARCH 1989 $000	APRIL 1989 Tons	APRIL 1989 $000	(1) Annual Rate YTD 1989 Tons	% Change from same Period Last Year
Pulpwood, Roundwood (cords)	15,470	894	3,548	44	16,820	231	100,113	474.1
Pulpwood Chips	3,503,100	286,191	407,795	30,096	375,946	31,634	4,151,562	55.3
Total All Exports	17,061,208	7,467,363	1,760,147	837,729	1,546,102	726,088	18,643,055	12.5
Wood Pulp,Total	5,528,292	2,914,521	622,808	346,789	524,576	297,982	6,334,047	18.7
Cotton Pulp and Other Pulp	201,567	111,923	14,387	11,887	16,425	14,260	138,553	-38.4
Waste and Old Paper	5,640,118	688,258	513,536	61,774	512,583	63,189	5,960,482	14.4
Paper, Board & Products,Total	5,691,231	3,752,661	609,415	417,278	492,518	350,657	6,209,973	7.6
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,876,563	2,701,405	514,846	302,610	408,224	244,917	5,201,343	6.7
Paper, Ppbd & Prod ex Cnst&WMB	5,559,356	3,683,601	606,268	415,952	488,784	349,217	6,171,364	9.9
Paper & Paperboard, Only	4,744,688	2,632,346	511,699	301,283	404,491	243,477	5,162,733	6.8
Paper, Total	1,102,490	988,031	142,253	130,093	108,274	103,833	1,396,824	31.7
Newsprint	427,296	295,474	60,792	36,727	42,068	25,364	623,943	96.0
Printing & Writing	287,208	313,047	49,335	45,045	36,023	36,906	424,004	46.8
Uncoated Groundwood	70,286	58,639	10,006	7,315	6,731	4,725	84,748	25.8
Clay Coated Paper	97,464	79,731	17,865	12,310	10,907	9,344	134,328	20.8
Uncoated Free Sheet	82,660	124,049	8,650	11,883	6,365	8,760	77,528	-2.8
Other Printing & Writing	36,799	50,629	12,815	13,537	12,021	14,077	127,408	323.8
Total Pkg. & Other Paper	346,718	342,117	30,194	45,326	27,878	38,249	327,634	-14.8
Unbleached Kraft	110,075	54,975	10,847	5,383	8,725	4,395	114,838	12.8
Other Pkg. & Indust. Paper	236,643	287,142	19,347	39,942	19,153	33,854	212,796	-23.8
Tissue	41,268	37,393	1,933	2,995	2,304	3,315	21,244	-60.8
Paperboard, Total	3,642,198	1,644,314	369,446	171,191	296,217	139,645	3,765,909	-0.8
Solid Wood Pulp	3,359,078	1,511,057	350,933	162,818	282,477	132,833	3,584,698	2.8
Total Linerboard	2,281,362	887,846	250,118	94,933	186,211	70,119	2,550,429	5.8
Bleached Kraft Linerboard	140,801	73,728	19,031	9,494	18,796	8,256	288,554	62.8
Unbleached Kraft Linerbd	2,140,562	814,119	231,087	85,439	167,415	61,862	2,261,874	0.8
Other Unbleached Kraft	292,437	102,638	19,551	9,688	23,835	10,827	238,108	-24.8
Other Bleached Kraft	742,918	502,513	80,434	57,848	69,189	50,467	767,548	9.8
Semi-Chemical Corrugating	42,360	18,060	830	348	3,242	1,421	28,614	-52.8
Recycled Paperboard	283,121	133,257	18,513	8,373	13,740	6,812	181,211	-40.8
Convtd Paper&Paperbd Products	814,668	1,051,256	94,569	114,668	84,293	105,740	1,008,630	28.8
Paper Products, Total	367,548	682,281	46,315	74,248	38,627	68,593	462,412	36.8
Paperboard Products, Total	447,121	368,975	48,254	40,420	45,666	37,147	546,219	23.8
Wet Machine Board	11,691	4,915	422	157	59	30	2,630	-78.8
Construction Paper & Board E	126,184	64,145	2,726	1,169	3,674	1,409	35,979	-67.8
Notes								
Other: No Weight Avail. ($000)		9,170		1,459		1,810	15,859	80.8
Total Exports Incl. Other($000)		7,476,533		839,188		727,898	8,506,938	19.8

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description. N.L.R. - No longer reported.

PRODUCER PRICE INDEXES
1982 = 100

	1987	1988	FEBRUARY 1989	MARCH 1989	APRIL 1989	MAY 1989	Annual Rate Y-T-D 1989	% Chang from sam Period Last Yea
Pulp, Paper and Products except Building Grades	114.3	124.8	131.1	132.8	132.7	133.3	131.7	8.
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	113.2	123.8	130.7	131.6	132.3	132.9	131.3	9.
Total Wood Pulp	111.5	136.7	151.5	153.4	155.7	158.4	154.1	19.
Total Paper	111.5	123.2	130.2	130.7	131.3	131.0	130.4	8.
Total Paper, exc. Newsprint	110.6	123.4	130.7	131.4	132.1	132.3	131.3	10.
Newsprint	112.3	127.6	128.8	128.3	128.2	124.1	127.2	-0.
Total Paperboard	118.1	133.2	138.7	141.6	143.8	143.5	141.1	8.
Total Paper and Paperboard *	113.6	126.4	132.9	134.1	135.2	134.9	133.7	8.
Converted Products	114.7	123.8	129.8	130.3	130.5	131.8	130.8	8.
Waste Paper	181.4	183.6	156.8	158.2	159.1	158.2	157.9	-17.
All Commodities	102.8	106.9	110.8	111.5	112.3	113.1	111.6	6.
Industrial Commodities	102.6	106.3	110.0	110.6	111.7	112.4	110.9	5.

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API



Year-to-date shipments of packaging papers were off 4.8% during the first five months of 1989, with particular weakness being displayed by the unbleached kraft paper grades, which trailed their year-ago volume by 5.1%. Unbleached kraft paper shipments had declined 1.4% from 1987 to 1988. In 1988 the U.S. economy posted strong gains and plastic resin producers ran at nearly full capacity utilization, which restricted competitive inroads into kraft paper markets by plastic bags and sacks. Operating rates in the plastics industry have eased somewhat in 1989 and polyethylene resin prices have come down a few cents a pound relative to the peak levels reached during late 1988.

Paperboard: Paperboard production posted a marginal year-to-date loss of 0.2% during the first five months of 1989. Exports showed greater strength than domestic demand, despite the dollar's recent appreciation relative to several other major trading currencies.

Containerboard production for domestic use held approximately even with its year-ago volume during the first five months of 1989, although fibre box shipments exceeded their year-ago volume by 1.6% in this period. Containerboard inventories at mills and plants have been in a relatively neutral pattern so far this year following considerable building in 1987 and a more modest expansion in 1988. The June 1, 1989 inventories were still equivalent to a moderate 5.5 weeks of supply.

MARKET WOOD PULP

U.S. shipments of chemical paper grade market wood pulp to the domestic market in May were off 8% from their year-ago level, continuing the pattern evident in all but one month since the beginning of the year. However, shipments from the U.S. to Western Europe surged 18% over April to 164,000 metric tons, 43% higher than in May 1988, bringing the five-month total to 10% above last year's level. A 28% increase in year-to-date shipments to Japan offset the declines in shipments to the domestic market and to other markets bringing the January-May 1989 total 3% above its comparable year-ago rate.

Domestic production and shipments of chemical paper grade market pulp were virtually equal in May, leaving producers' inventories unchanged at 15 days of supply. Total North American and Nordic production slightly exceeded shipments with inventories edging upward to 16 days of supply, marginally above their year-ago level.

The United States capacity utilization rate of chemical paper grade market pulp slid to 94% in May, its lowest level since November 1988. However, the January-May 1989 rate averaged 99%, comfortably ahead of the 96% registered in the comparable 1988 period.

Continued on Page 12

PAPER RECYCLING TRENDS

The U.S. recovery rate for recyclable paper has increased significantly during recent years in response to strong gains in exports and domestic consumption of waste paper. Defined as the ratio of total waste paper recovered to new supply of paper and paperboard (i.e., production plus imports less exports), the recovery rate advanced from 26.3% in 1985 to 28.1% in 1987 and 29.9% in 1988. The recovery rate previously increased from 22.4% in 1970 to 26.8% in 1980, but then held close to the 26% level through 1985.

With the single exception of 1985, U.S. exports of waste paper have advanced at double digit rates every year since 1983. Recent gains measured 14% in 1986, 18% in 1987, and nearly 28% in 1988. The rapid gains have been driven by strong foreign demand for U.S. fiber, particularly from several of the fiber-poor nations of the Far East. (See graph on page 10.)

All of the major grades of U.S. waste paper exports, except for mixed, posted record highs in 1988. The largest export category -- old corrugated -- rose 18.5%, to 2.28 million tons last year. The Far East & Oceania accounted for 58.1% of U.S. exports of old corrugated in 1988, followed by North America (i.e., Mexico and Canada) 22.6%, and Europe 16.2%. Increased demand from Europe accounted for about half of last year's tonnage gain in U.S. exports of old corrugated.

Exports of old newspapers rose 16% in 1988, topping the one million ton mark for the first time. The Far East and Oceania accounted for nearly two-thirds of these exports in 1988, with most of the balance going to Mexico. Spurred by a tight international pulp market, U.S. exports of pulp substitutes and high grade deinking papers advanced by 72% and 60%, respectively, in 1988. Exports of mixed papers, which include box plant clippings, mixed office papers, and various specialty grades, increased nearly 20% in 1988, to 885,000 tons, virtually matching its 1984 high of 886,000 tons.

A recent report by API's International Department noted that Korea, Mexico, and Taiwan, in that order, were the three largest importers of waste paper in 1988, followed by Japan, Canada, Italy, and Spain. Collectively, these seven countries accounted 83.8% of U.S. waste paper exports in 1988. Although Japan remained the fourth largest importer of U.S. waste paper last year -- the same ranking as in 1987 -- U.S. shipments to that country declined 8% in 1988 to 608,000 tons.

Domestic use of recycled paper has also been on the rise, albeit at a slower rate than exports. In particular, paper stock consumption at U.S. mills increased 9.6% in 1986, 4.2% in 1987, and 4.6% in 1988. The utilization rate, which is defined as the ratio of recyclable paper consumption to total production of paper and paperboard, consequently increased from 23.8% in 1985 to 25% last year.

A2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

June 26, 1989

PRODUCTION (000 TONS)

	(P) MAY 1989	APRIL 1989	MAY 1988	FIRST 5 MONTHS 1989	FIRST 5 MONTHS 1988	% CHANG YR TO DA 1989/19
PAPER GRADES						
Newsprint	504	495	514	2,468	2,498	-1
Printing & Writing	1,782	1,718	1,779	8,964	9,123	-1
Uncoated Groundwood (s)	142	149	137	721	667	8
Coated Paper (s)	577	544	600	2,908	3,090	-5
Uncoated Free Sheet Paper (s)	937	901	916	4,700	4,724	-0
Thin Paper (s)	17	18	19	83	97	-14
Cotton Fiber Paper (s)	14	14	14	70	71	-1
Bleached Bristols (s)	95	92	94	483	475	1
Tissue Paper	474	451	461	2,330	2,272	2
Total Pkg & Other Paper	395	387	422	2,095	2,200	-4
Unbl. Kraft Paper (s)	229	218	239	1,218	1,284	-5
Other Paper	167	169	183	877	916	-4
TOTAL PAPER	3,155	3,050	3,176	15,857	16,093	-1
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,681	1,589	1,636	8,100	8,039	0
Unbleached Kraft Linerboard	1,560	1,490	1,533	7,561	7,516	0
Other Unbl. Kraft Paperboard	121	99	103	540	523	3
Semichemical Paperboard	468	468	485	2,378	2,343	1
Bleached Paperboard	382	356	367	1,850	1,882	-1
Recycled Paperboard	735	739	767	3,658	3,759	-2
TOTAL PAPERBOARD	3,265	3,150	3,255	15,986	16,023	-0
TOTAL PAPER AND PAPERBOARD	6,421	6,200	6,431	31,843	32,116	-0

WOOD PULP (ALL GRADES)	APRIL 1989	MARCH 1989	APRIL 1988	FIRST 4 MONTHS 1989	FIRST 4 MONTHS 1988	% Chan 89/
Dissolving & Special Alpha	106	142	105	477	428	11
Bleached Sulfite)	134	134	125	523	512	2
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,289	2,328	2,164	9,122	8,751	4
Unbleached Sulfate	1,786	1,825	1,748	7,207	7,298	-1
Semichemical	366	378	354	1,486	1,438	3
Groundwood & Thermomechanical	512	502	509	1,971	1,995	-1
TOTAL PULP DIVISION DATA	5,193	5,307	5,004	20,787	20,423	1

(s) - Shipments
P - Preliminary

JUNE 30, 1989

	Full Year		INDUSTRY DATA 1988 - 1989			Ann. Rate Year - To - Date	% Fr Same Last
			R	P			
PAPER AND PAPERBOARD -- Tons (000)	1987	1988	March	April	May	1989	
Total Production (API).....: excluding :...	74,440	76,558	6,651	6,200	6,421	76,422	-
Total Seasonally Adjusted....:construction:...			6,446	6,304	6,331	76,644	-
Imports (including Products).: and wet :..E	12,454	12,788	1,128	1,045	1,090	12,785	-
Exports (including Products).: machine :..E	5,197	5,559	606	489	535	6,221	1
Apparent Consumption.....: grades :...	81,697 a	83,786 b	6,968	6,860	6,886	82,986 c	-
Paper Production % Tonnage Capacity.....	94.0 g	95.5	96.3	90.8	90.2	93.6	
Paperboard Production % Tonnage Capacity.....	96.8 g	96.4	94.4	94.0	93.5	94.6	
			February	March	April		
IMPORTS.....:Including Construction and :...	12,837	13,110	1,025	1,146	1,059	12,956	-
EXPORTS.....: WMB Grades (excl. HPB) :...	5,304	5,691	526	609	493	6,210	
MARKET WOOD PULP PRODUCTION - Tons (000).....	8,114	8,565	687	772	717	8,858	
TOTAL WOOD PULP PRODUCTION - Tons (000).....	59,552	61,161	4,821	5,307	5,193	62,361	
WOOD PULP IMPORTS - TONS (000).....	4,850	5,038	395	466	418	5,133	
WOOD PULP EXPORTS - TONS (000).....	4,889	5,528	507	623	525	6,334	1
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding			February	March	April		
Wood Pulp.....:consumption for:...	59,475	60,847	4,783	5,269	5,132	61,659	
Waste Paper.....:construction & :...	17,993	18,860	1,491	1,612	1,550	18,674	
TOTAL.....: WMB grades :.....	77,468	79,707	6,274	6,880	6,681	80,333	
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	93,946	95,497	7,837	8,169	8,040	97,212	
EMPLOYMENT (000)			March	April	May		
Paper and Allied Products.....Total.....	679.0	689.3	693.1	692.3	694.3	691.8	
Pulp, Paper and Board Mills.....Total.....E	244.9	245.5	244.8	244.4	245.2	244.5	
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			March	April	May		
Paper and Allied Products.....	11.42	11.64	11.84	11.82	11.94	11.83	
Pulp, Paper Mills.....E	14.00	14.29	14.56	14.56	14.70	14.55	
Paperboard Mills.....E	14.30	14.49	14.56	14.49	14.64	14.54	
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q3	1988 Q4	1989 Q1		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	9.01	11.23	11.37	12.53	15.47	15.21 Y	
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			March	April	May		
:IN PULP, PAPER :...Production Workers.....	145.0	149.5	152.5	148.6	147.6	150.6	
:AND BOARD MILLS:...All Employees.....	141.8	146.3	149.3	145.3	144.6	147.3	
PAPER AND ALLIED PRODUCTS (Million $)			February	March	April		
Industry Shipments (Dept. of Commerce)*.....	118,855	127,718	10,802	10,896	10,927	130,689	
Pulp, Paper and Paperboard*.....	51,518	57,177	4,878	4,812	4,871	58,419	
Inventories (End of Period) - Total Industry*..	11,284	12,065	11,941	11,905	11,943	11,943	
Pulp, Paper and Paperboard*.....	4,266	4,325	4,473	4,546	4,610	4,610	
			1988 Q3	1988 Q4	1989 Q1		
Sales (Corporations Only).....	95,576	107,221 RS	27,394	26,990	27,281	109,124	
Earnings (Corporations Only).....	5,520	8,081 RS	2,227	1,911	1,979	7,916	
Depreciation (Corporations Only).....	4,279	4,625 RS	1,163	1,167	1,187	4,748	
Net Worth (Corporations Only).....	39,217	42,940 RS	43,022	42,940	44,093	44,093	
PRICE INDEXES (Bureau of Labor Stats)1982=100			March	April	May		
Pulp, Paper & Products, ex. Building Grades....	114.3	124.7	132.0	132.7	133.3	131.7	
Wood Pulp.....	111.6	136.7	153.4	155.7	158.4	154.1	
Waste Paper.....	181.4	183.5	158.2	159.1	158.2	157.9	
Paper.....	111.5	123.2	130.7	131.3	131.0	130.4	
Paperboard.....	118.1	133.2	141.6	143.8	143.5	141.1	
PAPER DEMAND (INDEXED: 1977=100)			March	April	May		
Total Paper Production *.....	133.8	138.8	141.7	132.9	137.1	137.6	
Paper New Supply *.....	140.6	144.7	146.5	137.8	142.2	142.1	
Demand Indicators - (Weighted Average) *.....	154.5	163.7	173.2	174.0	174.6	172.7	
Production of Nondurable Goods *...(21.2%).	136.8	143.9	148.4	149.3	149.3	148.7	
Disposable Income .....*.(23.9%).	130.0	134.9	139.6	137.7	138.9	138.7	
Total Printing and Publishing *...(54.9%).	172.0	183.8	197.4	199.3	200.0	196.9	
Trend Factor			Not Available				
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	129.2	131.6	131.6	134.1	131.2	133.0	
Production for Domestic Use	126.1	129.0	128.0	130.7	128.6	129.8	
Demand Indicators - (Weighted Average) *.....	125.9	132.5	136.2	137.0	136.7	136.6	
Production of Consumer Goods *...(62.06%)	127.7	133.9	138.3	139.1	138.5	138.6	
Production of Equipment *...(5.75%)	148.8	158.2	162.6	163.8	163.9	162.6	
Production of Materials *...(32.19%)	118.3	125.3	127.3	128.3	128.5	127.9	
Trend Factor			Not Available				
NEWSPRINT MARKETS			February	March	April		
Consumption by Publishers - Tons (000).....	13,583	13,597	1,031	1,162	1,164	13,254	
Newspaper Pub. and Printing Empl. Total(000)...	471	475	477	475	474	476	
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.).....	164,771	168,835	13,977	15,409	16,646	170,667	
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	44,741	52,377	4,242	4,907	4,451	54,192	
Inventories (End of Period).	3,850	4,436	4,562	4,563	4,489	4,489	
FIBRE BOX DATA (Fibre Box Association)			March	April	May		
Fibre Box Shipments (Million square feet).....	297,827	308,507	26,767	26,397	26,734	313,519	
Container'bd Inventory at Mill & Plant(000Tons).	2,486	2,553	2,569	2,562	2,527	2,527	
RETAIL TRADE (Billion $)			March	April	May		
Total Retail Sales *.....	1,511	1,612	140	141	141	1,682	
Nondurable Goods Stores Sales *.....	950	998	87	87	87	1,040	
GENERAL ECONOMIC DATA			March	April	May		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	129.8	137.2	140.6	141.4	141.4	140.9	
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	102.8	106.9	111.5	112.3	113.1	111.6	
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	113.6	118.3	122.3	123.1	123.8	122.4	
			February	March	April		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	618.2	671.4	682.3	682.1	687.2	687.2	
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q3	1988 Q4	1989 Q1		
G.N.P. or Expenditure - Current $.....	4,527	4,864	4,909	5,000	5,105	5,105	
G.N.P. or Expenditure - 1982 $.....	3,847	3,996	4,009	4,033	4,077	4,077	

lb/capita
Pap&Papbd Othr Totl Popul(mil)
.a - 670 + 17 = 687 243.9
.b - 682 + 17 = 699 245.5
.c - 676 + 17 = 693 245.5
.E - Last month estimated by API

f - Wood Pulp Production excludes deri., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - First 3 quarters, annual rate
Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.